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21 September 1971

Dear Harold:

A brief letter to update the letter I wrote you yesterday.

I spoke with a lawyer yesterday who is supposedly a tax and foundation expert. He says that it is unlikely that we can set up a foundation for you. (He had a case where a family wanted to set up a foundation to write the family history and were unable to do so even though they figured prominently in Minnesota history.)

He then said that the only two ways he could think of for me to get a tax break on the money for publishing the full version of Post Mortem are:

1) Find some existing foundation to whom I can donate the money and who is willing to publish the book, or

2) Enter into this as a business deal, such that I can deduct any lost investment from my taxes. This initially seemed the best approach, but it has some problems. A person cannot deduct any loss from a "hobby" (the example he used is that "gentlemen farmers" are not allowed to deduct farm losses from their taxes). He said that I might run into this problem if the IRS discovered that I only hoped for ten per cent of the profits from a business deal in which I put up all the money. He suggested that I ask for twenty-five per cent of the profits until my original investment is returned and that I could take ten per cent from then on.

I do not like the latter solution, since it makes me appear to demand a bigger cut from you immediately after you agreed to a lesser amount. On the other hand, I think it will be hard to find an existing foundation to publish your book, even if I put up the money. I shall try to see what is available in Minnespolis before we face up to the problems of a business venture in which I ask for more than ten per cent of the profits.

Something I neglected to tell you in yesterday's letter is that Phil Harder is a classmate and friend of Benjamin Bradlee and mentioned him as someone he might contact. Does your dim view of the Post include Bradlee, or is there something to pursue here?

I'll be talking with you by phone soon.

Best regards,

Ted